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Israel Used 'Liberty' Data, Egyptians Say

By Michael Dennigan

CAIRO, July 7 (UPI) — Egypt's leading newspaper said today that American officials had admitted that Israel got intelligence information from the ill-fated USS Liberty in the Middle East war.

The vessel was attacked off Sinai by Israeli planes and torpedo boats. The semi-official Al Ahram said the U.S. Government told an Arab delegation at the U.N. that the Israelis had monitored broadcasts from the communications ship, as it relayed American reports of Egyptian military activity.

[Richard Fryklund, Pentagon assistant information chief, said the newspaper account "was untrue."]

The newspaper said that, according to the Americans, the assistance to Israel was unintentional. U.S. officials said the Israelis cracked the code which the Liberty was using to send secret war reports to a command post in Italy, according to Al Ahram.

Al Ahram was skeptical. "There is one simple question which will have to follow," it said. "If Israel failed to decipher the Egyptian code and had to seek the assistance of the sophisticated electronic carried by the Liberty, how could it manage to decipher the American code?"

Al Ahram's editor, a confidant of Egyptian President Nasser, fired off his first post-war attack on other Arab leaders since the end of the war.

Editor Hassanein Heikal criticized unnamed countries for presenting a "broken and disunited front." He quoted Algerian President Houari Boumedienne as saying "there are some (Arabs) whom I am not ready to invite to walk on Algerian soil."

Heikal said one Arab chief of state did not take part in the war and dismissed charges of U.S. participation on no more evidence than the "gentleman's word" of the U.S. ambassador. Heikal accused one Arab nation of trying to persuade another to send oil to the West despite an Arab embargo. He said an unnamed

Arab country had refused to send spare parts for a neighboring nation's British planes.

On the economic front, a government decree Thursday night said the budget for the coming year will cut public spending by two thirds and investment by one half.

Government workers will be barred from promotion, bonuses and overtime pay. Not one penny will be handed out for foreign aid commitments.

Other news dispatches included the following:

From Cairo, Associated Press said that a German freighter bound for Alexandria has been rerouted to Greece because Egyptian dock workers refused to unload her, even though she was bringing insecticides to combat a leaf-worm plague menacing Egypt's vital cotton crop.

In Moscow, Soviet magazine said that "thanks to the Soviet Union the Arab countries are able in a brief period of time to replace their losses" in the Middle East war "to a considerable degree."

An article in the weekly Za Rubezhom — Life Abroad — was the first in the Soviet press indicating that massive Soviet military aid is arriving in Arab countries after their defeat at the hands of Israel last month.

Israeli diplomats are worried over the more direct Soviet role in rearming and retraining some Arab countries, Robert H. Estabrook reported from the United Nations. The Israelis cite a Moscow press report that the Soviet Chief of Staff, Marshal Matvei V. Zak

harov, remained in Cairo with 100 or more technical experts after the visit of President Nikolai Podgorny.

Israeli sources estimate that approximately 200 Soviet aircraft have been delivered to the Arab countries since the June war. Western diplomats in Moscow and Cairo are divided over whether these represent a wholly new undertaking or are equipment already on order when fighting broke out.